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SUBJECT: CROATIA ENTHUSIASTICALLY INAUGURATES NEW REGIONAL
COOPERATION STRUCTURE

REF: ZAGREB 427 and previous

¶1. (SBU) SUMMARY AND COMMENT: As Chair of the South East Europe Cooperation Process (SEECF), the GOC hosted a May 11 Zagreb Summit to strengthen regional cooperation by establishing a Regional Cooperation Council (RCC) under SEECF auspices to replace the Stability Pact in early 2008. Coinciding with political maneuvering in Belgrade (reaction to election of a Radical as Parliament speaker), the meeting provided a platform to press Serbia to commit itself to Euro-Atlantic integration: German Chancellor Merkel, European Commission President Barroso, and U/S Burns challenged Serbia to engage fully on the side of democracy and Euro-Atlantic norms. Kosovo was high on the agenda; behind the scenes diplomacy won Kosovo Prime Minister Ceku a place at the SEECF table for the first time.

¶2. (SBU) Croatia's successful and energetic SEECF chairmanship, led by MFA State Secretary Hidajet Biscevic, saw an effective partnership with the Stability Pact in the transition to a "regionally owned" cooperative mechanism: securing regional and donor funding, developing a charter and statute for the RCC, and deciding on RCC leadership (Biscevic) and Secretariat location (Sarajevo). Prime Minister Sanader's address underscored both the importance of regional cooperation and Croatia's determination to participate fully, describing the SEECF as the "political pillar" of cooperation, with the Central European Free Trade Agreement (CEFTA) as the economic pillar. As a demonstration of PM Sanader's commitment to the new RCC mechanism, he assured Stability Pact Coordinator Busek that Hido Biscevic, Sanader's closest foreign policy advisor and troubleshooter, would soon engage fully on RCC business.
END SUMMARY AND COMMENT.

Regional Cooperation Council Officially Endorsed

¶3. (U) The 10th annual SEECF Summit meeting, preceded on May 10 by the Stability Pact Regional Table and SEECF Foreign Ministers meetings, marked the end of a very successful year for Croatia as SEECF Chairman in Office. Beginning with initial discussions of the proposed Regional Cooperation Council (RCC) last fall, the Croatia CiO, led by MFA State Secretary Biscevic saw an effective partnership with the Stability Pact in securing the necessary regional and donor funding, developing a charter and statute for the RCC, and deciding on RCC leadership (Biscevic) and Secretariat location (Sarajevo) (refs).

¶4. (U) The May 10 Stability Pact Regional Table underscored universal appreciation for the Pact and its successful transition strategy and for the work of Special Coordinator Busek, whose tireless engagement with regional political leaders and with donor governments underpinned the transition plan's success. The Regional Table confirmed the RCC founding documents and the SEECF proposals

for RCC Secretary General and Secretariat location. With most speeches routine, the intervention by a Tanzanian diplomat representing UNMIK stood out, expressing simple gratitude to the Stability Pact for providing the umbrella to allow Kosovo to take its place firmly in the regional cooperation process.

15. (U) The SEECP Foreign Ministers meeting later that day also supported the Stability Pact transition process, endorsing the SEECP decision on RCC leadership and secretariat location.

Prime Ministers Pressure Serbia; Kosovo Sits at the Table

16. (SBU) Beginning with Croatian Prime Minister Sanader's and President Mesic's welcoming remarks, speakers hammered away on the theme of the importance for Serbia to decide on a democratic, pro-EU and Euro-Atlantic path. German Chancellor Merkel underscored the EU role in Kosovo and reiterated that Serbian compliance with ICTY would open the door to real progress toward a Stabilization and Association agreement. European Commission President Barroso echoed the clear message. Undersecretary Burns delivered a forceful message on U.S. support for Kosovo independence. (Note: In contrast to the March 2 Foreign Ministers meeting, when Ceku attended as part of the UNMIK/Kosovo delegation, Ceku in fact received a personal invitation to the Summit. Nonetheless, Croatian protocol initially placed him behind UNMIK SRSR Ruecker; pressed by the U.S. to deliver fully on its invitation, the Croats then moved Ceku to the table, although at some distance from the UNMIK seat. Serbian representative Parivodic did not react to Ceku's appearance at the Summit table.)

16. (SBU) A testy exchange between Albanian PM Berisha and Serbian Minister of International Economic Relations Parivodic provided the only tension in an otherwise celebratory event. Berisha, apparently departing from his notes, accused Serbia of seeking to create a greater Serbia at the expense of others, to which Parivodic asked

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how many Albanian states (positing as many as four) could be expected in Europe. Defending Serbia's position on Kosovo as an integral part of Serbia, supported by international law, Parivodic expressed Serbia's desire to be a friend of the U.S. and announced that "democratic forces" had prevailed in Belgrade with the formation of a new government under current PM Kostunica. For his part, Ahtisaari Deputy Rohan, also a guest at the meeting, gave a clear and convincing defense of the Ahtisaari plan and announced that a new UNSCR on Kosovo was imminent.

RCC Secretary General

17. (SBU) The SEECP Summit marked the end of a year of steady work by the Stability Pact and the SEECP to put in place a new, regionally owned and led regional cooperation framework, based on the future RCC and its secretariat in Sarajevo. The coming months will see this work continue, with the Stability Pact and new SEECP Cio Bulgaria seeking to negotiate the secretariat seat agreement with Sarajevo by the end of June to permit its formal ratification by participating countries before year's end. Later this year, the process of establishing the RCC and its secretariat will begin in earnest, with the hope of having a structure and staff in place by January to permit the Stability Pact to complete its mission on schedule in February 2008. Funding commitments are sufficient and prospects for meeting the remaining timetable are encouraging. The main uncertainty involves the availability of the new RCC SecGen Biscevic. With national elections due in Croatia in late November, Biscevic's important role within the Croatian government and his close ties to PM Sanader could limit his RCC activity through the fall, although PM Sanader reportedly assured Stability Pact Special Coordinator Busek that Biscevic will meet his RCC obligations.

18. (U) Summit participants included: delegations from each SEECP member state - Albania (PM Berisha), Bosnia and Herzegovina (PM Spiric), Bulgaria (PM Stanishev), Greece (PM Karamanlis), Croatia (President Mesic and PM Sanader), Macedonia (President Crvenkovski), Moldova (President Voronin), Romania (PM Poescu-Tariceanu), Serbia (International Economic Relations Minister Parivodic), and Turkey (Economy Minister Babacan); Montenegro as the newest member (PM

Sturanovic); Slovenian PM Jansa; European Commission president Barroso; German Chancellor Merkel; European Parliament President Pottering; Kosovo PM Ceku; SRSG Ruecker; UN Deputy Special Envoy Rohan; Stability Pact Coordinator Busek; and Under Secretary Burns.

BRADTKE